

SCE TRAVEL & TOURISM SECTOR POST PROFILE FOR HUNGARY

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1. VISIT USA COMPONENT (VUSA)

1.1 *Market Trends and Data*

Hungarians are frequent travelers, as is evidenced by their 11.2 million border crossings in 2001 (Hungary has a population of just 10 million people) and spent Euro 1.46 billion for travelling abroad. The United States, Australia, South Africa and New Zealand are the most popular long-haul destinations recently. Favorite European destinations for Hungarian tourists include Greece, Italy, Spain, Croatia, Austria and Great Britain. Summer is the high season for domestic and outbound travel. Business travel is independent of seasons and its share of total outbound travel has reached 10-15 percent in 2001. Hungarians like to travel independently. Only 15 percent go in groups.

The United States remains a popular destination for Hungarian travelers. In 2000, with 59,174 arrivals Hungary ranked 55th in the list of Top 55 Overseas Markets for International Visitor Arrivals to the United States. As with all foreign travel, after September 11, 2001 the number of Hungarians to the U.S. decreased drastically. Other long-haul destinations, Australia for example has seen an increase. The General Consul of the American Embassy in Budapest reported in May that the number of visa requests started to increase again in 2002. The currently strong local currency of Hungary (the Forint) makes the U.S. a very favorable destination for Hungarians and the travel trade professionals will do all they can to assist travelers through the U.S. visa process. Geographically, Florida, New York, California and/or Nevada, Hawaii were the states most visited by Hungarians in 2001.

The Hungarian national air carrier, MALEV Airlines, is the only airline operating a direct, daily flight between Budapest and New York. MALEV has a marketing agreement including some code-shares with KLM, which also represents NorthWest Airlines. American and Continental Airlines have General Sales Agents in Budapest, Hungary. Major European competitors are British Airways, Lufthansa, Air France and Swiss Air, offering connections from other European cities to the U.S.

1.2 Tourism Sector Marketing Program

A. FY 2002

- POW WOW – New Orleans, May 25-29, 2002
USCS Budapest recruited a delegation consisting of 13 travel trade and 5 press representatives to POW WOW
- Support of ITB Berlin
USCS Budapest made a mailing campaign and offered assistance and information to local tour operators interested in U.S. travel services to visit U.S. exhibitors at ITB Berlin in March 2002.
- Establishing a Visit USA Committee is in process.
- Ongoing support for CVBs and U.S. travel trade organizations.

B. FY 2003 – Planned Program

- POW WOW – St. Louis, May 17-21, 2003
- ITB Berlin, March 2003
- Continue supporting CVBs, Hungarian travel trade professionals and travel press interested in U.S. travel services.

1.3 Visit USA Committee Hungary

Efforts have been made by USCS Budapest to create an official Hungarian Visit USA Committee. Expected date of forming the committee: September 2002.

1.4 Support for POW WOW

T & T Specialist is a member of the IAC Hungary and she attended POW WOW New Orleans to have an overview of the marketing strategies by US suppliers with special regard the to contradictions of increasing tourism to the U.S. and strict visa and security regulations. (We realize this situation is not unique to Hungary.)

1.5 Barriers to Travel

The U.S. visa process and Hungarian income levels. Hungarian tourists require a visa to travel to the U.S.A. The visa process can be complicated for Hungarians and costs US\$ 45, a significant sum for a country with less than a \$6,000 GDP per capita.